

~~AMENDMENT TO H.R. 2646, AS REPORTED~~
~~OFFERED BY MR. BEREUTER OF NEBRASKA~~

(Page and line numbers refer to the amendment in the nature
of a substitute, COMBES.011)

AMENDMENT No. ____: At the end of subtitle B of title I (page 66, after line
3), insert the following new section:

1 **SEC. 132. ALTERNATIVE LOAN RATES UNDER FLEXIBLE**
2 **FALLOW PROGRAM.**

3 (a) DEFINITION OF TOTAL PLANTED ACREAGE.—In
4 this section, the term “total planted acreage” means the
5 cropland acreage of a producer that for the 2000 crop year
6 was—

- 7 (1) planted to a covered commodity;
8 (2) prevented from being planted to a covered
9 commodity; or
10 (3) fallow as part of a fallow rotation practice
11 with respect to a covered commodity, as determined
12 by the Secretary.

13 (b) ELECTION TO PARTICIPATE.—In lieu of receiving
14 a loan rate under section 122 with respect to production
15 eligible for a loan under section 121, a producer may elect
16 to participate in a flexible fallow program for any of the
17 2002 through 2011 crops under which annually—

1 (1) the producer determines which acres of the
2 total planted acreage are assigned to a specific cov-
3 ered commodity;

4 (2) the producer determines—

5 (A) the projected percentage reduction rate
6 of production of the specific covered commodity
7 based on the acreage assigned to the covered
8 commodity under paragraph (1); and

9 (B) the acreage of the total planted acre-
10 age of the producer to be set aside under sub-
11 paragraph (A), regardless of whether the acre-
12 age is on the same farm as the acreage planted
13 to the specific covered commodity;

14 (3) based on the projected percentage reduction
15 rate of production as a result of the acreage set
16 aside under paragraph (2), the producer receives the
17 loan rate for each covered commodity produced by
18 the producer, as determined under subsection (c);
19 and

20 (4) the acreage planted to covered commodities
21 for harvest and set aside under this section is lim-
22 ited to the total planted acreage of the producer.

23 (c) LOAN RATES UNDER PROGRAM.—

24 (1) IN GENERAL.—Subject to paragraphs (2)
25 and (3), in the case of a producer of a covered com-

1 modity that elects to participate in the flexible fallow
 2 program under this section, the loan rate for a mar-
 3 keting assistance loan under section 121 for a crop
 4 of the covered commodity shall be based on the pro-
 5 jected percentage reduction rate of production deter-
 6 mined by the producer under subsection (b)(2), in
 7 accordance with the following table:

Projected Per- centage Reduc- tion Rate	Corn com- modi- ty Rate (\$/bush- el)	Wheat Loan Rate (\$/bushel)	Soybean Loan Rate (\$/bushel)	Upland Cotton Loan Rate (\$/pound)	Rice Loan Rate (\$/hundred- weight)
0%	1.89	2.75	4.72	0.5192	6.50
1%	1.91	2.78	4.77	0.5268	6.60
2%	1.93	2.81	4.81	0.5344	6.70
3%	1.95	2.83	4.86	0.5420	6.80
4%	1.97	2.86	4.91	0.5496	6.90
5%	1.99	2.89	4.96	0.5572	7.00
6%	2.01	2.92	5.01	0.5648	7.10
7%	2.03	2.95	5.06	0.5724	7.20
8%	2.05	2.98	5.11	0.5800	7.30
9%	2.07	3.01	5.16	0.5876	7.40
10%	2.09	3.04	5.21	0.5952	7.50
11%	2.12	3.08	5.29	0.6028	7.60
12%	2.15	3.13	5.36	0.6104	7.70
13%	2.18	3.17	5.43	0.6180	7.80
14%	2.21	3.22	5.51	0.6256	7.90
15%	2.24	3.27	5.58	0.6332	8.00
16%	2.28	3.31	5.65	0.6408	8.10
17%	2.31	3.36	5.73	0.6484	8.20
18%	2.34	3.41	5.81	0.6560	8.30
19%	2.37	3.46	5.88	0.6636	8.40
20%	2.41	3.51	5.96	0.6712	8.50
21%	2.44	3.55	6.04	0.6788	8.60
22%	2.47	3.60	6.12	0.6864	8.70
23%	2.51	3.65	6.19	0.6940	8.80
24%	2.54	3.70	6.27	0.7016	8.90
25%	2.57	3.75	6.35	0.7092	9.00
26%	2.61	3.80	6.43	0.7168	9.10
27%	2.64	3.85	6.51	0.7244	9.20
28%	2.68	3.90	6.60	0.7320	9.30
29%	2.71	3.95	6.68	0.7396	9.40
30%	2.75	4.01	6.76	0.7472	9.50

1 (2) COUNTY AVERAGE YIELDS.—

2 (A) IN GENERAL.—The loan rate for a
3 marketing assistance loan made to a producer
4 for a crop of a covered commodity under para-
5 graph (1) shall apply with respect to the pro-
6 duction of the crop of the covered commodity by
7 the producer in a quantity that does not exceed
8 the historical county average yield for the cov-
9 ered commodity established by the National Ag-
10 ricultural Statistics Service, adjusted for long-
11 term yield trends.

12 (B) EXCESS PRODUCTION.—The loan rate
13 for a marketing assistance loan made to a pro-
14 ducer for a crop of a covered commodity under
15 paragraph (1) with respect to the production of
16 the crop of the covered commodity in excess of
17 the historical county average yield for the cov-
18 ered commodity described in subparagraph (A)
19 shall be equal to the loan rate established for
20 a 0% projected percentage reduction rate for
21 the covered commodity under paragraph (1).

22 (C) DISASTERS.—

23 (i) IN GENERAL.—If the production of
24 a crop of a covered commodity by a pro-
25 ducer is less than the historical county av-

1 erage yield for the covered commodity de-
2 scribed in subparagraph (A) as a result of
3 damaging weather, an insurable peril, or
4 related condition, the producer may receive
5 a payment on the lost production that shall
6 equal the difference between—

7 (I) the maximum quantity of cov-
8 ered commodity that could have been
9 designated for the loan rate author-
10 ized under this section for the pro-
11 ducer; and

12 (II) the quantity of covered com-
13 modity the producer was able to
14 produce and commercially market.

15 (ii) CALCULATION OF PAYMENT.—The
16 payment described in clause (i) shall be
17 equal to the loan deficiency payment the
18 producer could have received on the lost
19 production on any date, selected by the
20 producer, on which a loan deficiency pay-
21 ment was available for that crop of the
22 covered commodity.

23 (3) OTHER COVERED COMMODITIES.—In the
24 case of a producer of a covered commodity not cov-
25 ered by paragraphs (1) and (2) that elects to partici-

1 pate in the flexible fallow program under this sec-
2 tion, the loan rate for a marketing assistance loan
3 under section 121 for the crop of the covered com-
4 modity shall be based on—

5 (A) in the case of grain sorghum, barley,
6 and oats, such level as the Secretary determines
7 is fair and reasonable in relation to the rate
8 that loans are made available for corn, taking
9 into consideration the feeding value of the com-
10 modity in relation to corn;

11 (B) in the case of extra long staple cotton,
12 such level as the Secretary determines is fair
13 and reasonable; and

14 (C) in the case of oilseeds other than soy-
15 beans, such level as the Secretary determines is
16 fair and reasonable in relation to the loan rate
17 available for soybeans, except that the rate for
18 the oilseeds (other than cottonseed) shall not be
19 less than the rate established for soybeans on a
20 per-pound basis for the same crop.

21 (d) CONSERVATION USE OF SET-ASIDE ACREAGE.—

22 To be eligible for a loan rate under this section, a producer
23 shall devote all of the acreage set aside under this section
24 to a conservation use approved by the Secretary and man-
25 age the set-aside acreage using management practices de-

1 signed to enhance soil conservation and wildlife habitat.
2 The Secretary shall prescribe the approved management
3 practices for a county in consultation with the relevant
4 State technical committee.

5 (1) LIMITED GRAZING.—The Secretary may
6 permit limited grazing on the set-aside acreage when
7 the grazing is incidental to the gleaning of crop resi-
8 dues on adjacent fields.

9 (e) CERTIFICATION.—To be eligible to participate in
10 the flexible fallow program for any of the 2002 through
11 2011 crops, a producer shall certify to the Secretary (by
12 farm serial number) the total planted acreage assigned,
13 planted, and set aside with respect to each covered com-
14 modity.

